

ASSEMBLY BILL

No. 2345

Introduced by Assembly Member De La Torre

February 19, 2010

An act to amend Section 10113.95 of the Insurance Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

AB 2345, as introduced, De La Torre. Individual health care coverage: health insurers.

Existing law provides for the regulation of health insurers by the Department of Insurance and requires a health insurer to have written policies, procedures, and underwriting guidelines establishing the criteria and process whereby the insurer makes its decision to provide or to deny coverage to individuals who apply for coverage and sets the rate for that coverage. Existing law requires an insurer to annually file with the commissioner a general description of the criteria, policies, procedures, or guidelines that the insurer uses for rating and underwriting decisions related to individual health insurance policies, as specified, and requires the commissioner to make specified information available on its Internet Web site regarding rating, underwriting criteria, and practices in the individual market.

This bill would make technical, nonsubstantive changes to those provisions.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 10113.95 of the Insurance Code is amended to read:

10113.95. (a) A health insurer that issues, renews, or amends individual health insurance policies shall be subject to this section.

(b) An insurer subject to this section shall have written policies, procedures, or underwriting guidelines establishing the criteria and process whereby the insurer makes its decision to provide or to deny coverage to individuals applying for coverage and sets the rate for that coverage. These guidelines, policies, or procedures shall assure that the plan rating and underwriting criteria comply with Sections 10140 and 10291.5 and all other applicable provisions.

(c) On or before June 1, 2006, and annually thereafter, every insurer shall file with the commissioner a general description of the criteria, policies, procedures, or guidelines that the insurer uses for rating and underwriting decisions related to individual health insurance policies, which means automatic declinable health conditions, health conditions that may lead to a coverage decline, height and weight standards, health history, health care utilization, lifestyle, or behavior that might result in a decline ~~for~~ of coverage or severely limit the health insurance products for which ~~they~~ *an individual* would be eligible. An insurer may comply with this section by submitting to the department underwriting materials or resource guides provided to agents and brokers, provided that those materials include the information required to be submitted by this section.

(d) Commencing September 1, 2006, the commissioner shall post on the department's *Internet* Web site, in a manner accessible and understandable to consumers, general, noncompany specific information about rating and underwriting criteria and practices in the individual market and information about the *California* Major Risk Medical Insurance Program. The commissioner shall develop the information for the *Internet* Web site in consultation with the Department of Managed Health Care to enhance the consistency of information provided to consumers. Information about individual health insurance shall also include the following notification:

1 “Please examine your options carefully before declining group
2 coverage or continuation coverage, such as COBRA, that may be
3 available to you. You should be aware that companies selling
4 individual health insurance typically require a review of your
5 medical history that could result in a higher premium or you could
6 be denied coverage entirely.”

7 (e) Nothing in this section shall authorize public disclosure of
8 company-specific rating and underwriting criteria and practices
9 submitted to the commissioner.

10 (f) This section shall not apply to a closed block of business, as
11 defined in Section 10176.10.

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